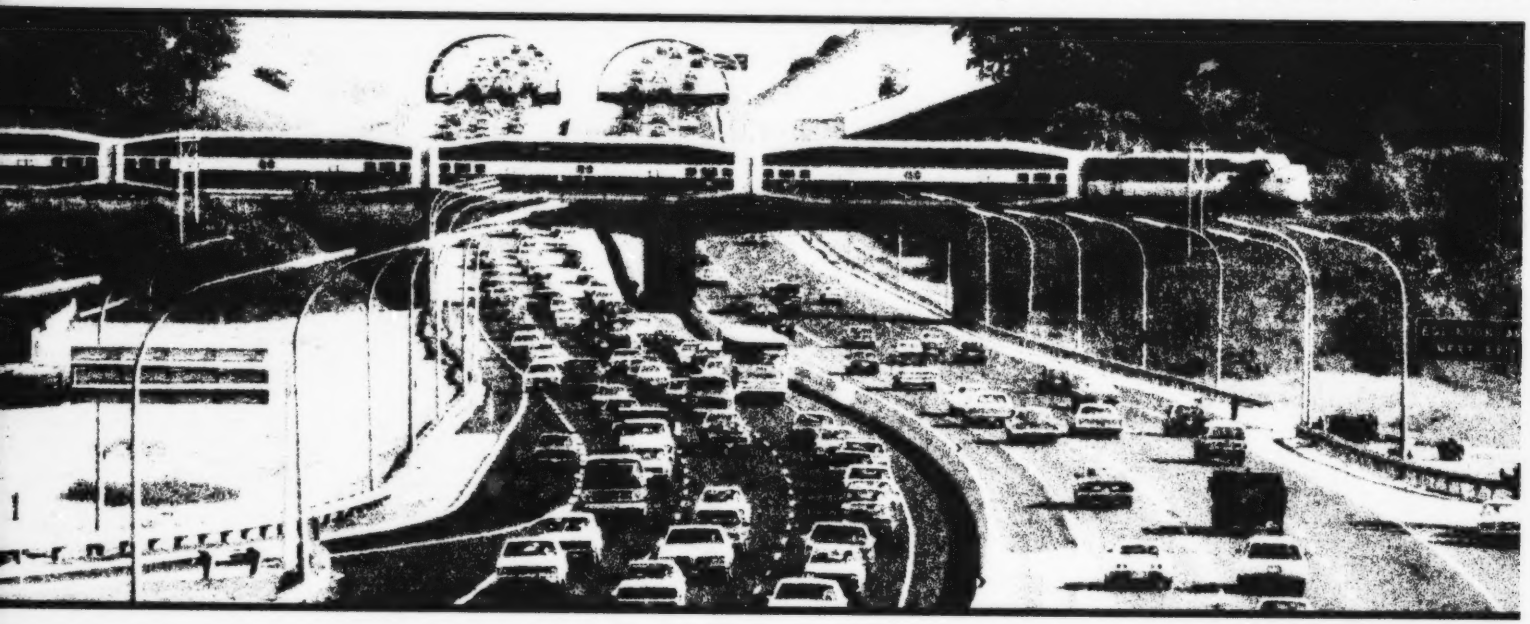
GO TRANSIT

Annual Report

For the year ended March 31, 1986



Toronto Area Transit Operating Authority

GO TRANSIT

555 Wilson Avenue, Downsview, Ontario M3H 5Y8
(416) 630-5220 Telex 06-217508

3 July 1986

The Honourable Ed Fulton
Minister of Transportation
and Communications
Ferguson Block
Queen's Park
Toronto, Ontario
M7A 1Z8

Dear Mr. Minister:

It is my honour, on behalf of the Members of the Board, to present the 1985-86 annual report of the Toronto Area Transit Operating Authority.

It is also my pleasure to extend our thanks to you and your staff at the Ministry of Transportation and Communications for your continuing co-operation and assistance, a special relationship which we at GO Transit hope will continue to grow.

Respectfully submitted,

L. H. Parsons

Louis H. Parsons
Chairman

Office of the Minister

Ministry of Transportation and Communications

Ferguson Block
Queen's Park
Toronto, Ontario
416 965-2101

4 July 1986

The Honourable Lincoln M. Alexander
Lieutenant Governor of Ontario
Legislative Building
Queen's Park
Toronto, Ontario
M7A 1A1

May It Please Your Honour:

I have the privilege of presenting for the information of Your Honour and the Legislative Assembly the report of the activities of the Toronto Area Transit Operating Authority for the year ended 31 March 1986.

Respectfully submitted,

Ed Fulton

Ed Fulton
Minister

Chairman's Summary

The year was one of change again — change for the better, not just for GO Transit but for its passengers, too.

The most significant change was the Government's decision not to develop GO-ALRT (Advanced Light Rail Transit) service further, favoring expansion of the GO Train network through proven, conventional technology. This decision was not made lightly. Juggling, as always, the many demands made on it for public monies, the Government prudently chose the most *cost-effective* means whereby it could improve interregional transit for the Toronto-Hamilton-Oshawa area; in opting for conventional technology, it was also taking the only *practical* approach available for accomplishing these improvements quickly, so that urgent, short-term needs could be met.

The GO-ALRT network was a farsighted plan, perhaps too visionary for some. However, the costs that were required to develop it outweighed the benefits. The whole ALRT system as envisaged would have to be completed for any real benefit to be realized, while conventional means provides the flexibility to expand service incrementally, making it possible to meet demand *quickly*, as well as in the long run.

Proceeding with development of just two ALRT routes would have been "fiscally irresponsible", as Ed Fulton, the Minister responsible for GO, stated when announcing the change of plans in October 1985.

The obvious benefit for passengers will be that under the new plans, there will be no transferring between two different types of trains. Service will be provided on conventional, bi-level trains throughout. For people in the communities on the Lakeshore East, there is also the bonus of an earlier start-up of full service between Pickering and Whitby: late 1988, fully a year ahead of the ALRT schedule. On the Lakeshore West, service will be phased up to full schedules by the early 1990s between Oakville and Burlington. And on the Milton line, frequency will be upgraded so that commuters will have two more weekday round trips in service, beginning in late 1988.

Meanwhile, studies will continue in determining the best means of expanding GO Train service further east to Oshawa and west to Hamilton; residents of these communities might decry the need for further investigation, but none will dispute that consensus must be reached among all parties concerned — the Government, GO, the municipalities, the railways — to achieve the best for both areas.

These new plans — officially dubbed the GO Train Service Expansion Program — have the full backing of the Government, which has committed $284 million (in 1984 dollars) in capital funds for the project. Plans are well under way (expedited somewhat on the Lakeshore East by works already done for ALRT service), and GO Transit looks forward to joining the travelling public in launching these new services in the next few years.

Another major change occurring during the fiscal year was the assumption of direct operation of the Newmarket corridor GO Bus service from Gray Coach Lines. This bus corridor is GO Transit's busiest, and the change-over puts a third of the bus network in GO's direct control. The transition from contracted driver services to direct operation is detailed inside this report, but one fact bears repeating: assuming direct control is *the* fiscally responsible choice for GO. While outside contractors have performed such services admirably, GO sincerely believes it must eventually be master of its own

affairs, and that only by exercising complete control over all aspects of its operation can it provide service economically and in the best interests of the public.

Many of GO's new drivers have come, in fact, from these contract operators, and GO is proud to have them on its team. It is especially proud of the standard of excellence set by Gray Coach's personnel in the Newmarket corridor over the last 15 years; it will strive to emulate that performance and continue delivering high-quality service, not only in this corridor but also in all the others in the network.

Change came to the ticketing system, too: the first radical change, albeit an experimental one, since GO Transit's inception in 1967. Proof Of Payment, an honor fare system known by its initials POP, was introduced on the Milton line to test its suitability to GO service, with an eye to the eventual streamlining of the present ticketing procedure. Passenger acceptance of POP has been favorable, but some technical problems remain to be ironed out; the experiment has been extended so the situation can be assessed and solutions worked out. If the trial run proves successful, POP will be extended to take in at least the rest of the rail network. Again, passengers as well as GO would benefit: administrative and operational improvements would be realized, but, just as importantly, POP would make GO service easier and even more attractive to use.

There were other developments as well this fiscal year. GO managed to weather the insurance crisis which hit the transit industry and was fortunate not to be as seriously affected as many other transit properties. Nevertheless, it was forced to increase its self-insured liability coverage, and was able to obtain a consistent level of outside insurance coverage at substantially increased premium rates; it can only hope for some stability to return to the market in the next fiscal year.

There were achievements, too. GO attained its best cost recovery in recent years, moving closer to the 65-per-cent target set for it by Cabinet. It recovered 61.2 per cent of operating costs through revenue, compared to 60.4 per cent the previous fiscal year. However, this achievement has to be tempered with reality: no longer able to rely on non-fare sources such as equipment leasing to generate ever-increasing revenues, GO must now place more of the burden of the costs of operating service on the user — the passenger; in the years to come, an even greater proportion of these costs will have to be borne by passenger fare revenue, keeping public subsidy to the minimum.

On the labor relations front, co-operation between union and management resulted in the successful negotiation of a new, 21-month collective agreement, and it is GO's heartfelt hope that this harmony will continue in future bargaining.

I am proud of all these accomplishments, and am certain that others at GO Transit share my feelings. I would like to thank all who played a part — staff, Board Members, contract operators — for their contribution, big or small; and I look forward to working closely with everyone again in the balance of my second term as Chairman.

L. H. PARSONS
Chairman

Managing Director's Report

Ridership

GO Transit's ridership continued to grow steadily, if modestly.

The combined system, bus and rail, carried nearly 26 million passengers during 1985-86 — the highest volume ever, almost a million trips more than the previous fiscal year's carryings of 25 million; GO Trains carried 15.3 million and GO Buses 10.6 million of the total. In comparison, system ridership in 1983-84 numbered 24.4 million passenger trips, and in 1982-83, just over 23 million.

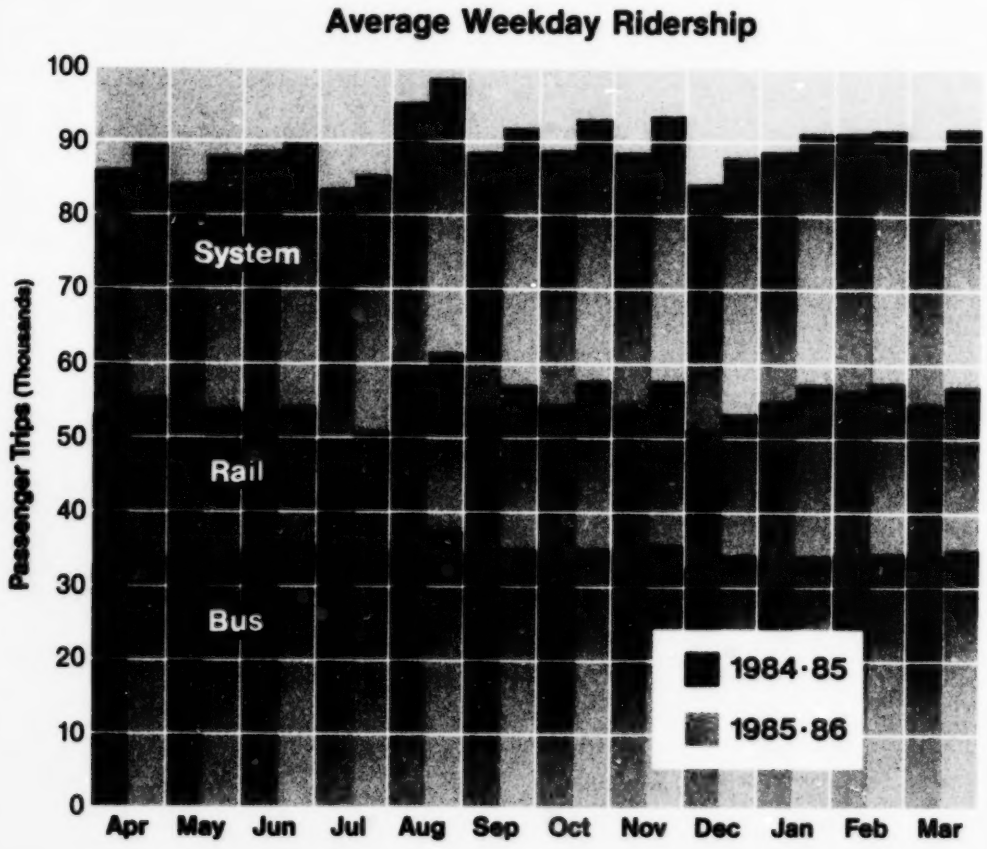
The rate of growth — the percentage increase in carryings over the previous year — began improving again, after declining from 1983-84 to 1984-85. The additional million trips system-wide represented a gain of 3.3 per cent, with rail ridership up by 4 per cent, and bus carryings by 2.3 per cent — more than double last year's increase of only 1 per cent.

All six rail corridors posted increases for the year, with the greatest growth rates occurring in the Bradford and Stouffville services: a 14.2-per-cent gain over 1984-85 carryings on the Stouffville line, and one of 13.6 per cent on the Bradford service. (It should be noted that these two lines, which GO took over from VIA Rail in 1982, consist of only one weekday round trip each, and carry far fewer passengers than the other lines in the system.) The Richmond Hill line also experienced a substantial growth of 9.1 per cent. Georgetown line ridership rose by 4.7 per cent, and the Milton line's by 4 per cent. The Lakeshore line, however, at 3.3 per cent, had the most significant increase in sheer numbers: it accounted for 363,000 of the 583,000 additional trips carried on the rail system during the year.

All bus corridors except Uxbridge — Hamilton, Milton, Georgetown, Newmarket, and Oshawa — also experienced increases, although some routes fared better than others. The Oshawa Highway 2 service had the highest increase rate at 7.2 per cent; the Finch-Newmarket ticketed service racked up a 6.4-per-cent increase; and the Hamilton QEW City Link route gained by 5.5 per cent. Other growth routes were the Bramalea/Brampton and the Newmarket-Barrie-Sutton services, at 3.1 and 3.8 per cent respectively. Decreases ranging from 1 to 15 per cent occurred in the Hamilton Lakeshore, Brampton-Guelph, Uxbridge, and Bowmanville services.

Average weekday ridership at year end stood at 91,800 passenger trips system-wide, up from 89,000 last year and 87,550 the year before that. Of the 91,800 trips, 56,800 were on the trains (up from 1984-85's 54,750) and 35,000 on the buses (up slightly from 34,250). Average weekday ridership peaked as usual in August: 98,650 trips, 61,550 of which were on the rail network and 37,100 on the bus system.

Fare integration remained popular, and the number of passengers taking advantage of this GO program stayed about the same as last year, at some 7,600 trips a day. First tried out in 1979 and adopted permanently in 1981, the program integrates GO's fares with those of participating municipal transit systems to offer either free or discounted transfer between the local transit bus and the GO Train; its cost is subsidized by GO and the participating municipality, GO's share being 75 per cent. Intended as an attractive alternative to driving and parking, and as an incentive for riders to take public transit all the way to their destination, fare integration is in effect with the Brampton, Oakville, Burlington, Mississauga, and Pickering transit systems.



Special Events Service

Demand remained strong for service for special events and attractions.

GO Transit as usual operated regular and special service for a wide variety of attractions, including Blue Jay and Argonaut home games, the Canadian Open golf championship, Canada's Wonderland, Ontario Place, the Canadian National Exhibition, and numerous shows through the year at Exhibition Place, Toronto's Metro Convention Centre, and the International Centre in Mississauga. With the popularity of events at Exhibition Place, in fact, ridership at Exhibition station now accounts for 10 per cent of the total patronage on the Lakeshore rail line. Recognizing the potential of these and other events to generate revenue, GO continued to promote its off-peak service as a convenient and economical alternative to driving by car.

The fiscal year's highlights were:

- Baseball season ridership, which increased by 31 per cent over 1984. GO Trains handled nearly 409,000 riders in the 1985 season, an increase of 97,000

	Corridor	Passengers Carried (Thousands) 1985-86	Passengers Carried (Thousands) 1984-85	Route Kilometres (At year end) 1985-86	Route Kilometres (At year end) 1984-85	Kilometres Operated (Thousands) 1985-86	Kilometres Operated (Thousands) 1984-85
Rail							
	Lakeshore	11,511	11,148	97	97	1,333	1,356
	Georgetown	1,419	1,355	47	47	84	94
	Richmond Hill	551	505	34	34	91	92
	Milton	1,320	1,269	50	50	111	114
	Bradford	209	184	67	67	34	32
	Stouffville	274	240	46	46	23	28
	Total	**15,284**	**14,701**	**341**	**341**	**1,676**	**1,716**
Bus							
	Hamilton	2,220	2,202	178	178	4,110	4,034
	Milton	163	160	60	60	438	437
	Georgetown	1,367	1,350	217	217	2,280	2,334
	Newmarket	4,015	3,921	323	323	3,730	3,688
	Uxbridge	113	133	124	124	402	422
	Oshawa	2,348	2,244	172	172	2,638	2,648
	Canada's Wonderland	348	325	29	29	439	433
	Total	**10,574**	**10,335**	**1,103**	**1,103**	**14,037**	**13,996**
System		**25,858**	**25,036**	**1,444**	**1,444**	**15,713**	**15,712**

trips — and this despite the disruptions to off-peak service caused by the rehabilitation of track on the Lakeshore line from mid-April to mid-August. Home game attendance, boosted by the Jays' success in reaching the playoffs, jumped by half a million for an increase of 27 per cent; GO ridership as a percentage of the gate was 8.6 per cent. For the second straight season, extra trains were provided after every evening and weekend game, waiting at Exhibition station to take fans home. The picture was not bright, however, for football ridership. With the Argonauts' fortunes still on the decline, GO handled less than half the number of rides it carried the previous year: a decrease of 36,000 rides, from 68,000 in 1984 to 32,000 in 1985. Argo home game attendance dropped by 11 per cent, but GO's share of the gate was 14 per cent in spite of this. Extra homebound service was not provided this season because of the decreased patronage.

- Exhibition station ridership during the CNE, which increased after having dropped last year. GO Trains handled 523,400 trips at the station during the 1985 Canadian National Exhibition, a gain of 13.6 per cent over 1984's carryings of 460,800. The increase came about despite one fewer Blue Jay game during the CNE's three-week run, and the cancelling of a grandstand concert and one day of the air show; however, the total was still lower than the 546,400 trips recorded for the 1983 CNE. Attendance at the 1985 CNE increased by more than 190,000 persons, or 9 per cent, over 1984's tally; GO maintained its share of the gate with a small increase from last year's 11.1 per cent to 11.6 per cent.

- Exhibition station ridership in general, which also gained over the previous summer. From April through October, excluding the CNE itself, ridership at the station totalled 537,000 trips, an increase of 6.3 per cent over the 505,000 trips carried in the same period last year. Some of this increase can be attributed to the Blue Jays' high game attendance; only two months, May and July 1985, saw lower patronage than the previous summer (July 1984 had included bumper carryings for the Tall Ships visit).

- Canada's Wonderland ridership, which reached a new high. A record 348,000 passenger trips were carried on this express bus service, which GO operated for the fifth successive season under contract to Canada's Wonderland. The previous season's carryings totalled 325,000 trips; the gain from 1984 to 1985 was 7.1 per cent.

Rail Operation

The second summer of CN Rail's four-year rehabilitation of mainline track along the Lakeshore went ahead as planned, causing disruptions to off-peak GO Train service from mid-April to mid-August. GO kept delays to a minimum, however, by operating an extra trainset in the off-peak on the Lakeshore East, a move which also prevented delays from spilling over onto the Lakeshore West.

This summer's reconstruction consisted of the replacement of track ballast and some 77,000 ties on the Lakeshore East between Pickering and Cherry Street, just east of Union Station, to prepare for next summer's installing of new rail. CN also re-aligned track at Mimico on the Lakeshore West, installing new trackage for access to VIA Rail's new servicing facility next to GO's Willowbrook Maintenance Depot; the work included the installation of four switch heaters under the con-

tinuing GO-CN effort to improve the winter performance of rail service.

Rehabilitation in the summer of 1986 will include installing new, welded rail — 75 kilometres' worth — and replacing 47 switches on the Lakeshore East; construction on the Lakeshore West will entail the replacing of ties and ballast between Clarkson and Burlington, and the rehabilitating of station track at Long Branch, Port Credit, and Clarkson. Planned for the summer of 1987 is the replacement of welded rail on the Lakeshore West.

In July, a refurbished platform in Union Station opened for GO Transit's use, giving commuters direct access to *all* GO Trains from the GO concourse. Previously, Bradford and Stouffville line passengers had to board through VIA's part of the station, in isolation. GO Trains now operate off five adjacent tracks serving four platforms connected directly to the concourse. Operations at Union were also improved through new closed-circuit television cameras at track level for the monitoring of train and passenger movements.

Communications improved again with the introduction of hand-held VHF radios for train crews. Fifty radios were bought, and since January each trainman and conductor has been outfitted with one for discreet communication with each other, necessary both in normal operation and in emergencies. Integrated consoles streamlining UHF, VHF, crew, and public address communications were also purchased during the year for installing in all train cabs not already equipped.

During the winter of 1985-86, GO and the railways modified their snow emergency procedures to prevent a repeat of the service problems caused the winter before by heavy snowfall in the Union Station area. Snow drifting has worsened considerably in recent years in the station's western approaches, an area that had once been open, letting the wind sweep it clean of snow. Wind tunnel tests conducted during the year confirmed that this problem has been compounded by the CN Tower and the recently-erected complex of commercial buildings along that stretch — a situation which will probably deteriorate again when the domed stadium is built.

Long-range solutions recommended in the wind tunnel study are being evaluated, but in the meantime GO and the railways have modified their plans to reduce further the number of switches that have to be kept open in snow emergencies. The new procedures involve schedule adjustments and even train cancellations so that enough trackage is provided to maintain service through Union Station — and thus avoid snowballing delays to the rest of the GO Train network. Key switching points on all lines have also been protected by switch heaters installed in recent years, a program which GO and the railways aim to expand to improve winter service even more.

As in other years, GO Train service was adjusted in conjunction with GO Bus service over Christmas and New Year's to meet the holiday season's ridership demands. And both special or beefed-up regular service was provided throughout the year for Exhibition station to serve the popular Toronto lakefront's many attractions.

Bus Operation

GO Transit assumed responsibility for Newmarket corridor bus service from Gray Coach Lines at the beginning of the fiscal year.

On April 28, GO started operating that corridor's routes directly, using its own drivers and support staff, under a multi-year phasing-in that will eventually put it in full control of its bus operation.

The transition from driver services supplied under contract by outside agencies to direct operation by GO Transit had begun in January 1984, when GO, on expiry of Travelways' contract, took over the running of the Uxbridge corridor and the Newmarket corridor's Bayview service. The change-over from Gray Coach operation was developed and finalized last fiscal year, the result of intensive negotiation with Gray Coach, its union, and the union representing GO's employees; the first step in this process was taken in January 1985 with GO's assumption of central radio dispatch for the entire bus network.

With the April 1985 switch, the number of GO-employed bus drivers rose from 18 to 92, and the proportion of the bus system under direct GO operation increased to a third. The Hamilton, Milton, Georgetown, and Oshawa corridors remained under the operation of Gray Coach, which historically has been the major bus driver contractor since the inception of GO Bus service in 1970, while the Oshawa-Bowmanville route stayed the responsibility of Charterways. The phasing-out of contracted service will continue corridor by corridor over the next few fiscal years, starting with the Milton corridor in June 1986.

New bus models were tested for possible future purchases

Changing over to direct operation — which includes all planning and administration as well as the actual driving — has, as expected, already reaped substantial financial savings for GO, as well as eliminating administrative duplications;

direct operation, in the best interests of the public, also allows GO to exercise greater control over the running of its services.

April 28, co-incident with the semi-annual timetable change, also brought about the discontinuation of bus parcel express (BPX) service. GO had been providing this service contractually for Gray Coach Lines for a number of years but decided to withdraw from the BPX business to concentrate on its mandate of transporting people; as well, it had neither the buses nor the routes to remain a viable BPX carrier, and the revenue derived from this service did not justify its continuation. Gray Coach retained its BPX operation and began handling parcel shipment in the GO service area with a new, van fleet instead of buses.

Schedule revisions made in the April and October timetable changes again affected just the bus operation and consisted mostly of frequency improvements to the North Yonge and Hamilton QEW City Link services.

In May, GO held its second annual bus roadeo (a test of driver skill and professionalism), and the winner went on to represent it in the national championship held in Toronto in June by the Canadian Urban Transit Association.

During the year, GO Bus operation also involved testing various manufacturers' buses for possible future purchases; providing express shuttle bus service on contract to Canada's Wonderland (which sets the fares charged); adjusting holiday service in concert with the rail operation to meet Christmas and New Year's ridership demand; and ensuring adequate bus feeds for the Lakeshore rail service to cope with the crowds generated by the numerous events and attractions of the Exhibition Place and downtown Toronto areas.

Bus Fleet

Fifteen more buses were overhauled during the year under GO's ongoing refurbishing program. The work involves major structural repair to enhance appearance and extend service life, and runs the gamut from engine frame reinforcement and corrosion damage repair to replacing worn flooring and repainting in the current livery scheme.

Retrofitting to improve the reliability of air-conditioning was implemented in 1985-86, with 22 buses completed by year end. The retrofit consists of installing improved compressors in intercity and transit type buses and is scheduled to continue in 1986-87.

During the year, GO Transit tested several new models from various bus manufacturers to evaluate quality and performance for consideration in future purchases. The present fleet of 184 buses was also extensively examined to develop a procurement program meeting the anticipated needs of the GO Bus operation. The program, in its infancy by year end, would involve not only replacing old buses with new but also maintaining the structural assurance of the existing fleet; the first buses to be bought under the program would be delivered in fiscal 1986-87.

Other developments included the analysis of a six-month testing of microprocessor bus ticket-issuing (BTI) machines as replacements for the obsolete, mechanical fare registers now being used. The BTIs had been installed on 21 buses in the last fiscal year and have proven satisfactory; plans for system-wide outfitting will proceed in 1986-87.

Rolling Stock

Preparations were made for the acquisition of rolling stock to meet the requirements of the GO Train network's expansions, culminating at year end in an $82.3-million order for 63 new, third-generation bi-level coaches.

A contract for 56 coaches, seven cab cars, and spare parts was signed on March 26 with the Urban Transportation Development Corporation (UTDC), which will assemble the vehicles at its CanCar plant in Thunder Bay. Production is scheduled to start in early 1987, and delivery for October 1987 through September 1988.

Like its predecessors, Bi-level III is a product of Ontario technology, designed expressly for GO Transit. Bi-level I, which made its debut in 1978, and Bi-level II, introduced in 1983, were produced to GO's specifications by Hawker Siddeley Canada at the same Thunder Bay plant, which has since been acquired by the UTDC.

The new bi-level will basically be a further refinement of the original two versions. Most of the almost 100 changes being incorporated into the new car are technical improvements based on eight years of experience in the rigors of service. They are designed mainly to reduce maintenance costs and make the cars more reliable; a few are being made for passenger comfort and include improvements in soundproofing, insulation, and draft elimination. Seating capacity remains the same as in the original models: 162 in the coaches, and 160 in the cab car (although Bi-level II cab cars have 161 seats each).

The order will bring the bi-level fleet from the present 151 vehicles (136 coaches and 15 cab cars) to a total of 214 (192 coaches and 22 cab cars). The fleet should then meet the needs of GO's rail service expansions, which, in a change made by the Government this fiscal year, will now be attained by conventional means rather than light rail transit technology. The expansions will upgrade service on the Milton line and extend full service on the Lakeshore from Pickering to Whitby and from Oakville to Burlington.

Specifications were being drawn up for the acquisition of new locomotives as well to meet these expansion requirements. Eight new units are needed, and eight more to replace the original locomotives that GO had started out with in 1967. Final design and contract specifications were under way at fiscal year end, and a contract for the purchase is expected to be ready for signing by mid-1986. Delivery of the 16 units is expected for June through August 1988.

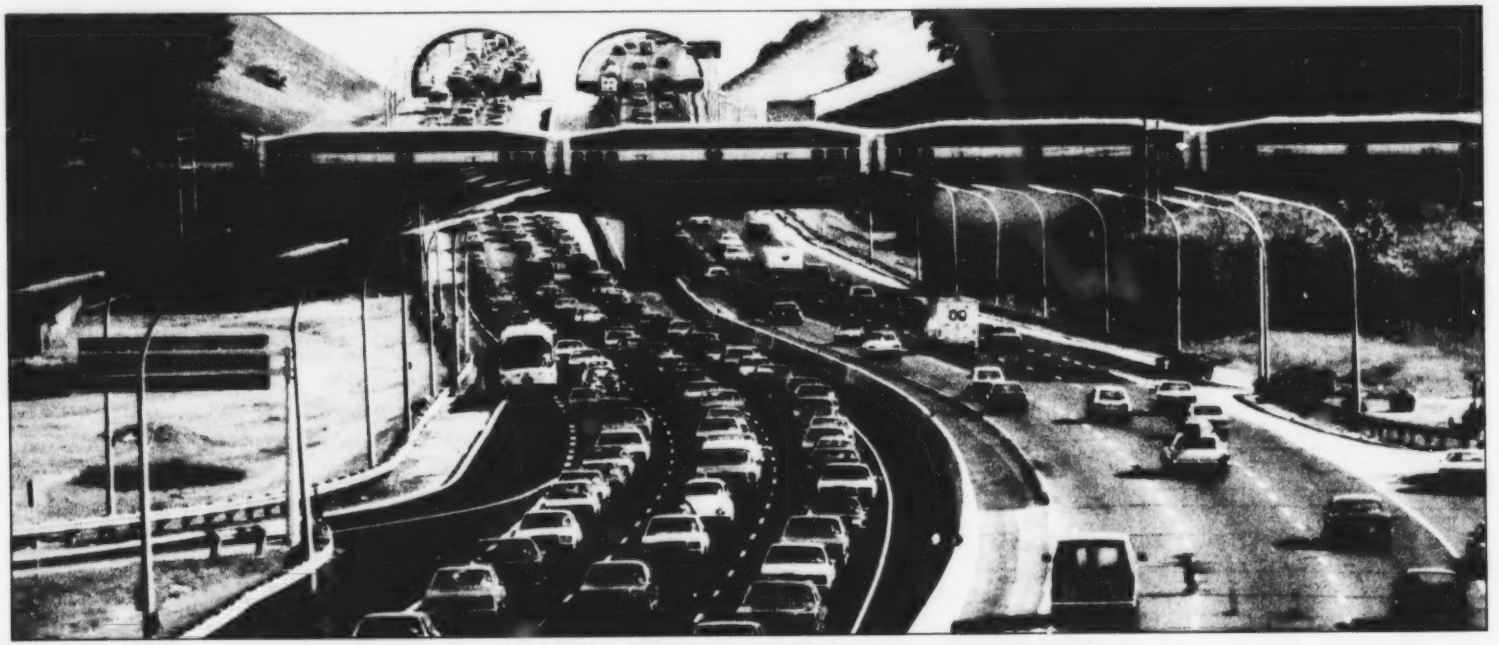
Backshopping of the 11 GP40-2 locomotives bought in 1974-75 was completed during the fiscal year with the overhaul of the last two units. Cost of the three-year program, which refurbished the locomotives to virtually new condition, was approximately $4.5 million.

Other retrofitting included the ongoing upgrading of the original 80 Bi-level I cars to Bi-level II standards. Begun in 1984-85, the program entails mechanical and electrical modifications as well as the refurbishing of interiors; 12 cars were done in 1985-86, bringing the total completed to date to 27.

Disposal of the original single-level fleet continued with the sale of 20 1967-vintage cars to the Ontario Northland Trans-

portation Commission. Approved last fiscal year by Cabinet, the sale was finalized in 1985-86 and netted $2.1 million for GO Transit. The cars are being converted into modern, intercity coaches for the Ontario Northland Railway's Polar Bear Express run.

In the summer of 1985, GO bi-levels were again part of the Quebec scenery with the lease of seven coaches to Le Tortillard du Saint-Laurent for its tourist train along the Saint Lawrence River. GO also continued leasing spare equipment to the railways during off-peak periods to generate extra revenue. And the fiscal year marked the end of two long-term leases of surplus single-levels: one to the Massachusetts Bay Transportation Authority, the other to the Maryland Department of Transportation on 12 of the 14 cars originally rented.



On order: 63 new bi-level coaches, to be delivered in 1987-88, for GO's train service expansions

Equipment Maintenance

Further improvements totalling $113,000 were carried out in 1985-86 at Willowbrook Maintenance Depot, GO's train servicing complex on the Lakeshore line in Etobicoke.

The work included installation of a bulk chemicals storage tank for the bi-level washroom waste disposal system, yard lighting improvements outside the diesel shop, and extensive yard and access road repaving to support the expanded facilities put in in the last fiscal year.

More improvements will be needed to accommodate the growth of the bi-level and locomotive fleets for the new rail service expansions, and preliminary discussions were held during the year with CN Rail (which provides GO's train maintenance personnel under contract) to identify specifics. Consultant design work is expected to start in the summer of 1986, and all design and contract preparation is scheduled to be finished by the end of fiscal 1986-87; construction would then begin in the spring of 1987 for completion by mid-1988, in time for the first equipment deliveries and the fall launch of the Pickering-Whitby extension. The expansion is estimated to cost about $8.5 million.

Both the rail and bus equipment maintenance functions were computerized during the year, boosting efficiency and, besides other improvements, allowing GO to monitor equipment performance more effectively to minimize failures. Operations have also been streamlined at Steeprock Bus Garage by the expansion which was completed late in 1984-85 and went into full use this fiscal year.

Bus Terminals

Two major bus terminal projects wound up in 1985-86.

Construction of the $333,000 GO Bus terminal at Scarborough City Centre wrapped up with the opening of a large, heated, 65-passenger shelter in April and a ticket agency and concession area in June. The new terminal had entered service in October 1984 and forms part of the TTC's Scarborough Centre station on the new Scarborough RT rapid transit line; it comprises six bays on the station's lower level for both GO and intercity use, and greatly improves the amenities at that location for passengers on the Uxbridge and Oshawa-Toronto routes.

The opening of two new escalators in July completed a $1.2-million expansion of York Region Terminal in north Metro Toronto. The project's first phase in 1984-85 had enlarged passenger waiting space, added public washrooms, improved ventilation, and relocated (and improved) the GO ticket agency to make way for the escalators in the second phase; the escalators, whose upkeep is the responsibility of the TTC, have considerably improved transfer for passengers between the GO terminal and the Finch subway station. The Toronto Transit Commission's share of the cost of the expansion's common facilities totalled $578,000. The terminal is on Yonge Street in North York and serves the busy Newmarket, North Yonge, and Bayview routes, as well as the TTC and Markham Transit.

Also undertaken were: the addition of public washrooms for $69,000 on the bus platform level of Yorkdale Bus Terminal; a $91,000 cost-sharing commitment for the widening of Highway 9 during the year as part of the original Newmarket Bus Terminal construction project; and in-house studies on further remedial

improvements to Hamilton Bus Terminal (works which will be done in phases, starting in 1986-87, as funds become available).

Rail Stations

Parking lot and platform improvements were undertaken at various rail stations during the fiscal year.

Pavement rehabilitation continued, with five more stations completed this year at a total cost of $201,000. The work involved the repaving of the parking lots at Guildwood, Eglinton, and Rouge Hill stations on the Lakeshore East, as well as Georgetown on the Georgetown line, and the resurfacing of the south train platform at Mimico on the Lakeshore West. Drainage work was entailed in some cases, and Eglinton's repaving included the installing of a test surface using a new method of construction.

The gravel parking lot at Markham station on the Stouffville line was paved in a $59,000 project that included landscaping improvements; the paving increased capacity by 22 spaces for a new total of 102.

Oakville station on the Lakeshore West underwent a $316,000 parking lot expansion which increased capacity by 11 per cent from 1,459 to 1,622 spaces. The expansion added 123 spaces to the north lot and 40 to the south for a total gain of 163; the gravel parking area of the south lot, containing 144 spaces, was also paved in the project.

The second phase of a two-year renovation of Exhibition station on the Lakeshore was carried out between September and January for $228,000. The station, despite not being open year round, accounts for 10 per cent of the Lakeshore line's annual ridership, and years of wear and tear had taken a toll on its facilities. Two new ticket kiosks had been built last fiscal year in the first phase. This year's construction repaved the station's two platforms, installed new platform lighting, and replaced all eight original platform shelters with new structures. The lighting work included rewiring for future upgrading of the public address system, but no more improvements are being contemplated until plans for the domed stadium on the nearby railway lands, and GO's role in serving it, have jelled.

Preliminary study was done during the year on the remedial improvements necessary for pedestrian tunnels and stairways that have been damaged over the years by ground water, frost, and the salt used in snow clearance. Deferred from other years, the repairs will be made on the Lakeshore and Georgetown lines, GO's oldest rail routes; detailed design will be done in the summer of 1986 for repairs the following year, funds permitting, at stations in the greatest need.

Consultant's studies were also undertaken to examine the general condition of various other stations in the system, including those on the Georgetown line and Danforth on the Lakeshore East, and assess the means available for improvements.

Union Station

A $2.8-million upgrading of Union Station's facilities was completed in the year.

A former intercity platform was converted for GO Transit's use, a refurbishment which included adding stairways and installing an escalator (the station's third)

to improve connection between train and concourse. Built, too, were new pedestrian passageways linking this platform with the concourse's mezzanine.

The new platform went into service in July, giving GO the use now of five adjacent tracks off four platforms, all linked directly to its concourse; GO passengers on the Bradford and Stouffville services no longer have to use the VIA station for access to their trains on a more southerly platform isolated from the rest.

The renovations also included replacing the closed-circuit television system used for monitoring operations at track level with a new one.

During the year, completion of two studies on inter-station and passenger information communications resulted in preparatory work getting under way for two possible projects for Union Station. Design and specifications were prepared for a new platform public address system which would provide clearer sound for announcements and link the GO system to that of CN's train control centre. The other project involved developing a new passenger information system for testing eventually on one of the platforms: a computer-controlled system, using illuminated signs above the platform, which would be more visible, reliable, and flexible than the existing one.

Other improvements that had been planned have been held in abeyance until the impact of various developments on the station, such as the domed stadium and the TTC's Harbourfront line, are known. These plans had included a 300-foot easterly extension of Platform 1, an elevated walkway to connect it directly to Front Street, and a second link to the subway inside the concourse. GO will be reassessing its requirements in the next fiscal year before deciding what works to undertake.

Toronto Transportation Terminal

After 6½ years of construction and a capital investment of $45 million by the Province, redevelopment of the rail corridor on the western approaches to Union Station neared completion at the end of 1985-86.

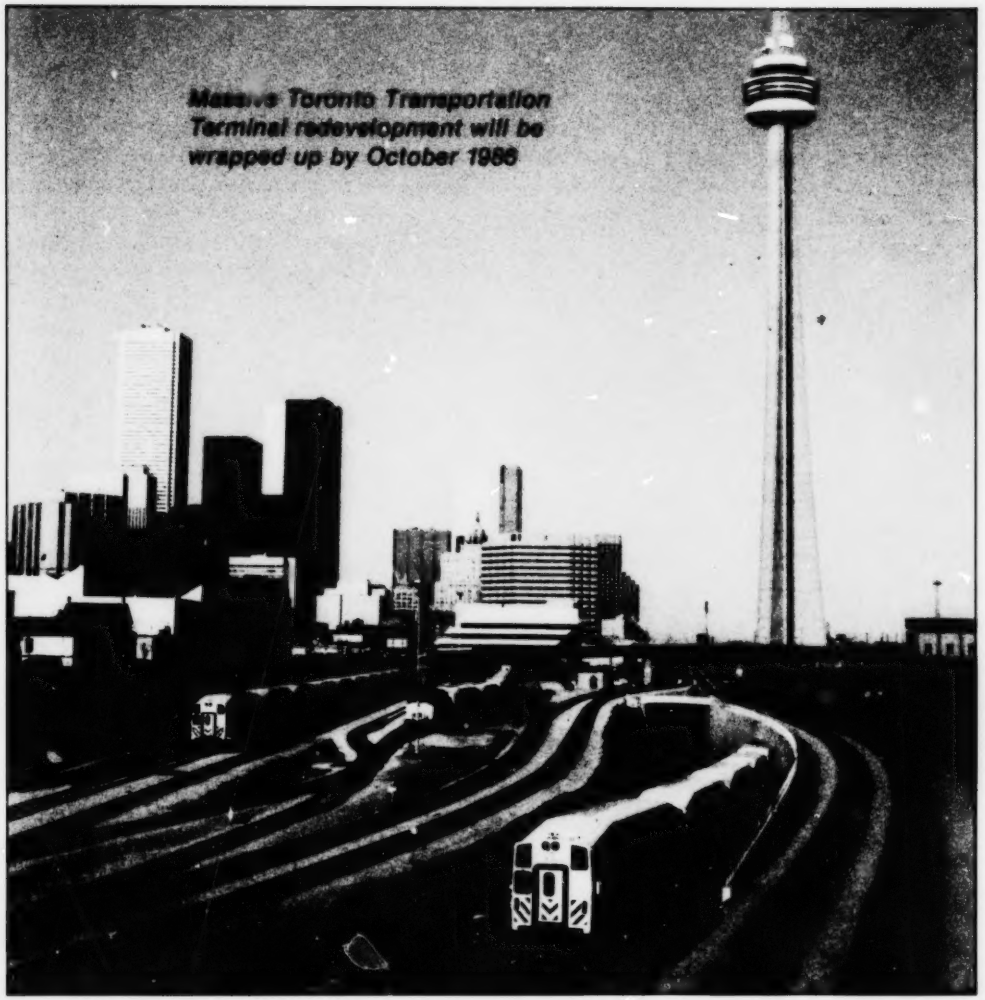
A new signal system, the final component in the massive reconstruction project, was installed during the year, and will be tested in the spring and early summer of 1986 in accordance with Canadian Transport Commission procedures. Incorporating the latest microprocessor technology, the new system will provide fail-safe control of all train movements in the corridor, replacing the outdated interlocking system and manual procedures that have been used for the last six decades. The approach corridor is the junction of CN's Oakville and Weston subdivisions and the CP Galt subdivision, and is heavily travelled by freight, commuter, and intercity passenger trains; it is one of the busiest in Canada.

Testing is set for completion by the end of June 1986, and all train traffic in the corridor will then be governed entirely by signals, eliminating the present delay of having to stop at Bathurst Junction. Final adjustments to new trackage installed earlier in the reconstruction will also be finished by then, leaving only minor clean-up and finishing touches for wrap-up by October 1986.

The redevelopment scheme — known as the Toronto Transportation Terminal project — had its beginnings in 1978, starting with construction of a new GO concourse in Union Station and moving on to extensive reconstruction of the corridor itself. The project was designed to meet the long-range demands on downtown Toronto's rail terminus complex by increasing passenger-handling capacity and by opening up the bottleneck which existed at the western end of the corridor.

Besides the new signal network, the corridor improvements included extensive track and switch work; increasing the number of mainline tracks at Bathurst Junction from two to six; and construction of a flyunder to route Lakeshore GO Trains under other rail traffic, speeding up the approach to Union Station. GO's Bathurst North yard for the layover of trains between rush hours was also built as part of the redevelopment.

The project's final cost, on completion of this fiscal year's work, is $60 million, including the original $10 million for the GO concourse and some $5 million in renovations made since its opening in 1979. These costs have been borne entirely by the Province of Ontario.



Massive Toronto Transportation Terminal redevelopment will be wrapped up by October 1988

Labor Relations

Two new collective bargaining agreements between GO Transit and Local 1587 of the Amalgamated Transit Union were effected during the year.

An agreement covering 1984-85, the second since the unionizing of GO employees, had gone to arbitration previously and was awarded this fiscal year, in October. Both parties resumed bargaining and successfully negotiated a 21-month collective agreement for fiscal 1985-86 and most of 1986-87, expiring in January 1987.

Local 1587 is the exclusive bargaining agent for GO employees, representing all staff except supervisors, foremen, employees above these ranks, and office and technical staff; 465 of the GO work force of 730 employees are members of the union.

Computerization

Keeping pace with technological advancement, GO Transit continued expanding the use of computers to improve daily operations and long-term planning.

Many facets of the operation now employ microcomputers, both stand-alone and networked; they include materials management, purchasing, finance, revenue accounting, operational budgeting, capital project control, word processing, personnel records, ridership and survey data analysis, bus and rail equipment maintenance, and rail operations at Union Station. Other applications being developed for implementation in the near future include central library records, internal audit, security, and bus scheduling, crewing, and data management.

A major advancement was realized in the fiscal year with the relocation of a minicomputer from the disbanded GO-ALRT Program to head office for financial data processing; by bringing this function in-house, instead of relying on service bureaus, GO expects to reduce operating costs by $50,000 a year over five years. The equipment might be expanded to accommodate the materials management and payroll systems to provide additional savings.

System Security

The year started with GO Transit taking part in a massive security operation mounted against a terrorist bomb threat to the Metro Toronto transit network; the incident, fortunately, did not materialize.

In May, the thrust turned to enforcement of the Proof Of Payment (POP) honor fare system being introduced experimentally on the Milton rail line. In this connection, GO's security force of transit officers became legally empowered to enforce regulations under the Toronto Area Transit Operating Authority Act, as well as the Trespass to Property Act; the first two court cases involving POP prosecutions were heard toward year end, resulting in convictions and fines.

The vandalism and property damage situation improved this year, resulting in a 9-per-cent decrease in damage costs from last fiscal year's $173,000 to $157,000 in 1985-86.

Proof Of Payment

GO's six-month Proof Of Payment experiment began in May 1985 and was later extended to the end of April 1986 for further evaluation.

Known simply by its acronym, the POP honor system made its debut on May 6 on the Milton rail line. If successful, it will eventually be implemented at least throughout the rest of the rail network, streamlining the ticketing method GO Transit has had since its inception in 1967. The POP concept is relatively new to Canada and the United States but proven in Europe, and the GO experiment is the first North American application to encompass variable fares.

Under POP, passengers no longer have to deposit a ticket or show a pass every time they enter or leave the system. They only have to produce proof of fare payment when asked to by GO security personnel in random checks of the paid areas and aboard the trains. With this otherwise unrestricted access, passenger flow through stations is thus greatly improved, and line-ups all but eliminated; POP also allows the opening up of extra entrances and exits economically, since ticket scrutiny at every point is no longer necessary.

Other advantages of the POP system include savings in the cost of ticketing, as some POP tickets are printed on cash register type tape; as well, POP's microprocessor ticket issuing and cancelling equipment provides statistical information for operational planning and revenue control.

Passenger acceptance of the trial system has been favorable, according to a survey conducted in July. However, in the debugging process GO encountered a few problems involving equipment, maintenance, and ticket stock, and decided to extend the experiment so it can assess the situation further.

Non-Fare Revenue

Revenue from sources other than passenger fares decreased slightly from last year, partly because two long-term leases of rolling stock to other transit properties ended during the year.

Non-fare or sundry revenue in 1985-86 totalled $5.5 million, consisting of: $2.154 million from the sale of assets; $1.261 million from renting out equipment; $583,000 through commercial space leasing; $525,000 in ticket sales commissions; $325,000 from the sale of advertising space on the system; $309,000 in interest income; and $362,000 from miscellaneous sources. Sundry revenue in the previous two fiscal years had amounted to $5.2 million and $3.4 million.

Advertising revenue increased by 25 per cent over last year's $259,000, and commercial space rentals by 7 per cent from $546,000, as GO continued to maximize these revenue-generating potentials. Studies were also under way by year end to determine the immediate and future potential of GO stations and terminals for the joint commercial-residential development of aerial and underground rights to produce even more revenue.

Fare Increase

Fares rose by an average 3.8 per cent on July 1 in the continuing effort to meet the cost-recovery target set by the Government.

The two-part formula for calculating all single-ride fares increased from a fixed base charge of 42 cents plus a distance charge of 6 cents a kilometre to 44 cents plus 6.3 cents. No changes, however, were made to the discounting formulae for 10-ticket books, 10-ride POP tickets, monthly passes, group passes, or student rates. Unchanged, too, was the downtown bus surcharge of 60 cents. The minimum rail fare was held at $1.50, while the bus minimum was increased by 5 cents to bring it in line with that for rail.

Since all fares are rounded off when computed, actual single-ride increases ranged up to 5 per cent, with the average being 3.8 per cent.

The fare increase helped GO achieve its best cost-recovery performance in recent years. A cost-recovery target of 65 per cent had been set in 1977 by Cabinet, requiring GO to review and adjust its fares annually to recover increasingly greater proportions of its operating costs through revenue until this goal is met. The rate attained for fiscal 1985-86 was 61.2 per cent, compared to 60.4, 58.3, and 53.8 per cent in the preceding three years.

GO Train Service Expansion Program

A major change of tack came about this year with the abandonment of light rail technology in favor of conventional means for the expansion of GO's rail network.

A Government review of the GO-ALRT (Advanced Light Rail Transit) system under development since late 1982 resulted in the decision in June 1985 to extend service using conventional trains instead. This was confirmed in October by the new Government, which noted that it would be fiscally irresponsible to proceed with a project that, while it had its merits, would not meet urgent, short-term needs; the total GO-ALRT system would have to be completed before any real benefits could be realized, whereas conventional means provides the flexibility to expand in increments to meet demand immediately — as well as in the long run. Pressing ahead with conventional, bi-level train service was the only practical approach to meeting the greater Toronto area's pressing needs for interregional transit.

The change was also prompted by proposed national rail legislation which would make it more economical to develop and operate commuter train services, and which would improve GO's

ability to negotiate equitably with the railways, on whose rights-of-way GO Train service runs.

The October announcement set revised target dates for the expansion, including an earlier start-up date for the Lakeshore East extension than under GO-ALRT. The new program will extend full service on the Lakeshore East from Pickering to Whitby in 1988, a full year ahead of the original ALRT timetable, on trackbed already partly graded for the light rail project; phase service up to full schedules between Oakville and Burlington on the Lakeshore West by the early 1990s; and add two round trips to the present three on the Milton weekday line in late 1988. Studies will also continue on determining the best means of accomplishing expansion of service further east to Oshawa and west to Hamilton.

The Province has allocated $284 million (in 1984 dollars) in capital funds for the project, including the acquisition of rolling stock and the expansion of equipment maintenance facilities.

The following summarizes progress to date on each facet of the new program:

- Pickering to Whitby section: Approximately 15 kilometres in length, this section is scheduled to enter revenue service in late 1988. The six contracts previously awarded for GO-ALRT grading and bridge work were basically complete by year end; design under the new program was finished for the remaining work, and four major contracts will be awarded early in fiscal 1986-87 to complete the trackbed and structures phase. Design has also been completed for trackwork and track components, including rail, concrete ties, and fasteners, for procurement early next fiscal year. Design of the Whitby station was well advanced, and when completed in June 1986 will establish the standards for the Ajax and Pickering stations. The environmental status statement prepared originally for GO-ALRT was being updated to reflect the criteria of the new program.

- Oakville to Burlington section: A limited amount of construction had been undertaken under the GO-ALRT Program on this 15 km stretch; work on a new grade separation at the Third Line crossing in Oakville will be completed in July 1986. A study by CN Rail was under way to identify the extent and cost of right-of-way improvements necessary for full service to Burlington; this study will be completed early next fiscal year. Full service into Burlington is expected to start in the early 1990s.

- Milton line service upgrading: A joint CP Rail-GO Transit committee has been formed to co-ordinate this phase of the expansion program. An environmental study report will be prepared and finished early in the 1986-87 fiscal year. Upgraded service will commence in late 1988.

- Equipment procurement and maintenance: See the Rolling Stock and Equipment Maintenance sections of this report.

Future Service

Studies examining the feasibility of increasing the level of Georgetown and Richmond Hill rail service progressed during the year. Initial study on the expansion of Milton line service was completed, leading to the Government's decision to extend frequency from three to five weekday round trips as part of the revised rail network expansion program; the increase is expected to meet the immediate peak-period needs of this populous corridor through Halton and Peel Regions.

Working with other Provincial ministries and agencies, GO Transit redrafted its four class environmental assessment documents, replacing them with a single, clearer, and more concise version. The environmental assessment process provides the opportunity for various levels of government, as well as the public and special interest groups, to review and comment on GO's studies and proposals for the development or expansion of services and facilities. The new document, which has been submitted to the Minister of the Environment for approval, eliminates the original documents' shortcomings and reinforces GO Transit's commitment to ensuring that the impact of its projects on the natural or social environments is minimal.

During fiscal 1985-86, GO took greater initiative in the planning of services to meet the growing demand for inter-regional transit in its area of jurisdiction. With the assistance of municipal planning bodies, GO began reviewing local development proposals to anticipate better the need for modifying existing services; the Ministry of Transportation and Communications was also requested to provide direction in identifying inter-regional transportation corridors in which new GO services might be required. These actions, in conjunction with the continuing evolvement of service standards and policies, will put GO in an improved position to react to the ever-increasing demands for GO Transit service in a cost-efficient and timely manner.

A.F. LEACH
Managing Director
and Secretary

Auditor's Report

To the Members of the Toronto Area Transit Operating Authority, the Minister of Transportation and Communications, and the Provincial Auditor:

We have examined the balance sheet of the Toronto Area Transit Operating Authority as at March 31, 1986 and the statements of equity, operations and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

Toronto, Canada
May 23, 1986

Peat, Marwick, Mitchell & Co.
Chartered Accountants

TORONTO AREA TRANSIT OPERATING AUTHORITY
(Incorporated without share capital under the
Toronto Area Transit Operating Authority Act)

BALANCE SHEET AS AT MARCH 31, 1986

(With comparative figures for 1985)
(In thousands of dollars)

Assets

	1986	1985
Current		
Cash	$ 1,143	$ 136
Accounts receivable	1,933	3,010
Deposit with C.N.R.	10,200	9,000
Due from the Province of Ontario	20,152	13,271
Spare parts and supplies	1,209	1,275
Prepaid expenses	380	295
	35,017	26,987
Fixed		
Land	24,910	24,850
Buildings and equipment (Note 2)	161,123	166,198
Leasehold improvements, net of accumulated amortization of $327 (1985 - $250)	1,340	1,243
Improvements to railway right of way and railway plant, net of accumulated amortization of $30,231 (1985 - $24,694)	90,431	81,915
Construction in progress Toronto Transportation Terminal Project (Note 6)	30,489	21,902
Other	11,831	17,256
	320,124	313,364
	$355,141	$340,351

Liabilities

	1986	1985
Current		
Accounts payable and accrued liabilities	$ 32,148	$ 26,679
Unearned revenue in respect of tickets sold and not used	784	155
	32,932	26,834

Equity

Province of Ontario	322,209	313,517
	$355,141	$340,351

Commitments (Note 6)

On behalf of the Members

L. N. Parsons ..... Chairman

J. Stevens ..... Member

See accompanying notes to financial statements.

STATEMENT OF EQUITY

FOR THE YEAR ENDED MARCH 31, 1986
(With comparative figures for 1985)
(In thousands of dollars)

	1986	1985
Equity at beginning of year	$313,517	$310,046
Capital contribution from the Province of Ontario	25,350	20,370
B.I.L.D. contributions from the Province of Ontario		165
Other M.T.C. contributions from the Province of Ontario	681	
	339,548	330,581
Amortization of capital contributions	(17,339)	(17,064)
Equity at end of year	$322,209	$313,517

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 1986
(With comparative figures for 1985)
(In thousands of dollars)

	1986	1985
Revenue		
Commuter services	$ 51,647	$ 49,607
Sundry revenue (Note 4)	5,519	5,210
	57,166	54,817
Expenses (Note 5)		
Train and bus operations	74,266	74,030
Terminals and plant	31,300	29,003
General and administration	15,637	15,524
	121,203	118,557
Loss from operations	64,037	63,740
Operating subsidy from the Province of Ontario including amortization of capital contributions of $17,339 (1985 - $17,064)	64,037	63,740
Net income for the year	$ —	$ —

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED MARCH 31, 1986
(With comparative figures for 1985)
(In thousands of dollars)

	1986	1985
Cash from (used in) operations		
Revenue	$ 57,166	$ 54,817
Expenses	(121,203)	(118,557)
Adjustments for non-cash items:		
Depreciation and amortization	17,339	17,064
Gain on sale of fixed assets	(2,154)	94
	(48,852)	(46,582)
Net change in non-cash working capital balances	(925)	(138)
	(49,777)	(46,720)
Cash from (used in) investment		
Fixed asset additions	(26,031)	(20,535)
Fixed asset disposals	4,086	123
	(21,945)	(20,412)
Cash from financing		
Province of Ontario		
Operating subsidy	46,698	46,676
Capital contributions	26,031	20,535
	72,729	67,211
Net increase in cash	1,007	79
Cash, beginning of year	136	57
Cash, end of year	$ 1,143	$ 136

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1986
(With comparative figures for 1985)
(In thousands of dollars)

1. Summary of significant accounting policies

a. General
These financial statements are prepared by management in accordance with accounting principles generally accepted in Canada.

b. Spare parts and supplies
Spare parts and supplies are valued at the lower of cost and replacement cost.

c. Fixed assets
Fixed assets are valued at cost.

The Authority provides for the depreciation and amortization of the various classes of assets over their estimated useful lives on a straight line basis. Depreciation for locomotives and auxiliary power control units is calculated using a straight line rate applied to cost plus an estimation of future overhaul costs.

Buildings and equipment	
Shelters and ticket booths	5 years
Other buildings	20 years
Locomotives and auxiliary power control units	25 years
Other railway rolling stock	25 years
Buses	12 years
Parking lots	20 years
Sundry — Furniture and fixtures	12 years
— Other	3-5 years
Improvements to railway right of way and railway plant	20 years
Leasehold improvements	20 years

d. Commuter services revenue
Revenue is recognized when the transportation service is provided. Unearned amounts are reflected in the balance sheet as current liabilities.

e. Subsidies
Operating subsidies paid by the Province of Ontario are treated as reductions of operating losses. Capital contributions from the Province of Ontario are included in equity and are amortized to income over the useful lives of the related assets.

2. Buildings and equipment

	1986			1985
	Cost	Accumulated depreciation	Net book value	Net book value
Buildings	$ 31,075	$10,303	$ 20,772	$ 20,665
Locomotives and auxiliary power control units	30,930	13,531	17,399	15,347
Other railway rolling stock	143,139	34,509	108,630	116,389
Buses	19,377	12,376	7,001	7,162
Parking lots	7,372	2,280	5,092	4,417
Sundry	5,067	2,838	2,229	2,218
	$236,960	$75,837	$161,123	$166,198

3. Operating agreements
Substantially all of the services provided by the Authority are operated by outside parties using vehicles and rolling stock owned by the Authority. Charges from the parties in respect of the operating agreements are recorded on an incurred and estimated basis. These services are governed by the following agreements.

Canadian National Railways	June 1, 1977 to May 31, 1987
Gray Coach Lines	To December 31, 1986
Canadian Pacific Limited	October 26, 1981 to October 25, 1991

Services are also provided by Charterways Transportation Limited. The agreement with Charterways Transportation Limited expired December 31, 1985. A new agreement is presently under negotiation.

4. Sundry revenue
The details of sundry revenue are as follows:

	1986	1985
Interest income	$ 309	$ 321
Rentals — rolling stock	1,261	2,855
Rentals — space	583	546
Advertising revenue	325	259
Commissions — ticket sales	525	469
Sale of assets	2,154	(91)
Other	362	851
	$ 5,519	$ 5,210

5. Expenses
Further details of expenses are as follows:

	1986	1985
Salaries, wages and fringe benefits	$ 21,168	$ 17,041
Payments to outside parties for operation of services	42,549	47,739
Fuel and oil	8,971	7,817
Other expenses	20,668	18,206
	93,356	90,803
Leases, rentals and user charges	10,508	10,690
Depreciation and amortization	17,339	17,064
Total expenses	$121,203	$118,557

Of the total expenses above, $93,356 (1985 - $90,803) is recognized as recoverable, in part, from passengers and other sources of revenue. The target amount to be ultimately recovered has been established by the Authority at 65% of the recoverable expenses. In 1986, total revenue amounted to $57,166 (1985 - $54,817) and represents a recovery of 61.2% (1985 - 60.4%) of the recoverable expenses.

6. Commitments

a. Purchase of bi-level commuter rail cars

Subsequent to year end the Authority will have transferred to it the following assets from the discontinued GO-ALRT project:

— Deposit on contract with the Urban Transportation Development Corporation Ltd. for the purchase of 63 bi-level commuter rail cars	$ 8,234
— Completed construction useful to the heavy rail expansion program, at cost	5,829
Total:	$14,063

The balance of the purchase price for the bi-level commuter coaches of $74,102 will be paid out over the period to September, 1988 as the Authority takes delivery of the coaches.

b. Toronto Transportation Terminal Project

The Toronto Transportation Terminal Project initially involved the Province of Ontario, the Authority, the Government of Canada, the Canadian National Railway Company, Canadian Pacific Limited and the Toronto Terminals Railway Company. As the parties could not reach agreement on a satisfactory cost sharing arrangement for the capital costs of the project, work is proceeding at the Authority's expense on a modified program which provides only for the immediate needs of the Authority's services.

c. Leases

Minimum operating lease payments in each of the next five years and in aggregate are as follows:

1986-1987	$ 1,922
1987-1988	1,495
1988-1989	1,259
1989-1990	1,217
1990-1991	1,195
Thereafter	6,840
	$13,928

In addition to the commitments above the Authority has entered an agreement to lease land which expires in 2079. The annual rental under this lease is $120.

7. Pensions

The Authority provides pension benefits for its employees through participation in the Public Service Superannuation Fund established by the Province of Ontario. The Province is amortizing the unfunded liability of the plan through a series of annual payments and has charged the Authority for its share of such payments for the year.

8. Comparative figures

Certain of the comparative figures have been reclassified to conform to the presentation adopted in the current year.

Objectives

GO Transit (the Toronto Area Transit Operating Authority) is an Agency of the Crown established to:

Design and operate interregional transit for people whose travel takes them through more than one regional municipality;

And encourage convenient and efficient meshing of the transit systems operating in the Toronto-centred area and interfacing with the GO Transit system.

Area of Jurisdiction

GO Transit is a voluntary association, empowered by legislation, of the Regional Municipalities of Peel, York, Durham, Halton, and Hamilton-Wentworth, the Municipality of Metropolitan Toronto, and the Province of Ontario.

Membership

The Board is composed of seven Members: the Chairman, appointed by the Lieutenant Governor in Council, and the Chairmen of the Councils of Peel, York, Durham, Halton, Hamilton-Wentworth, and Metropolitan Toronto.

Members

L.H. PARSONS
Chairman

G.H. HERREMA
Vice-Chairman of the Board
Chairman, Council of
The Regional Municipality of Durham

R.F. BEAN
Chairman, Council of
The Regional Municipality of Peel

C.D. FLYNN
Chairman, Council of
The Municipality of Metropolitan Toronto

E.R. KING
Chairman, Council of
The Regional Municipality of York

P.D. POMEROY
Chairman, Council of
The Regional Municipality of Halton

W.L. SEARS
Chairman, Council of
The Regional Municipality of
Hamilton-Wentworth

Minister

The Honourable ED FULTON
Minister of Transportation and
Communications

Officers

A.F. LEACH
Managing Director
Secretary to the Board

A.M. ROBINSON
Director, Finance
Treasurer to the Board

J.A. BROWN
Executive Director, Operations

H.W. CLELLAND
Executive Director, Engineering,
Development and Plant

D.A. SUTHERLAND
Executive Director, Finance and
Administration

W.M. BURNS
Director, Transportation

J.M. BURWELL
Director, Administration

R.J. DESJARDINS
Director, Personnel, Audit and Security

R.C. DUCHARME
Director, Engineering and Development

R.H. JOHNS
Director, Equipment

N.W. KUSTER
Director, Equipment Engineering

C.S. STRADLING
Director, Plant Maintenance

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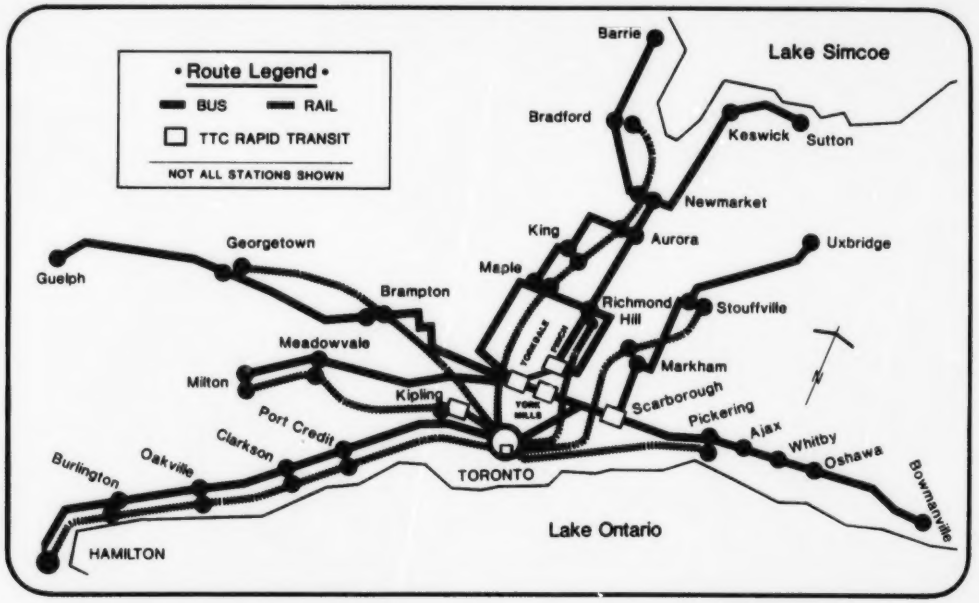

The GO Train and
GO Bus network at
March 31, 1986